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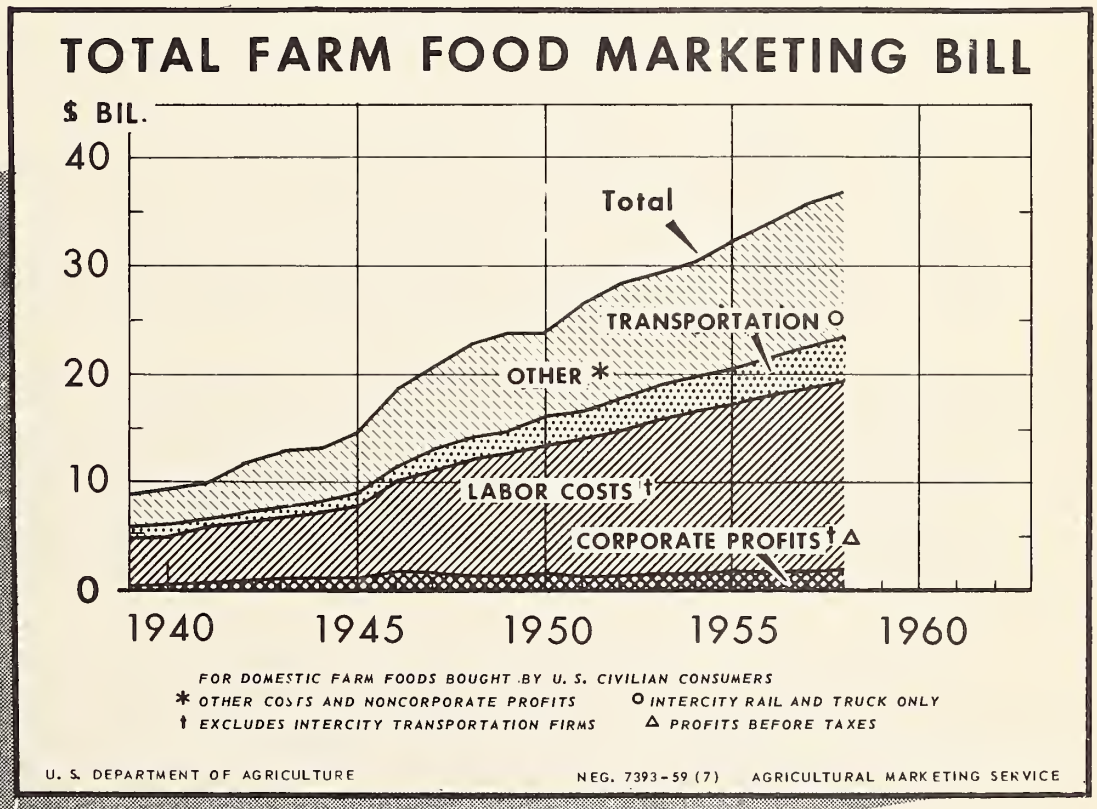
The Marketing Bill for Farm Food Products



UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service
Washington, D.C.

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THE MARKETING BILL FOR FARM FOOD PRODUCTS

The volume of domestic farm foods bought by civilian consumers in this country has grown almost steadily and in recent years marketing charges per unit have risen even more rapidly. Together, these factors have raised the total marketing bill more than three-fifths above its 1947-49 level. Most of the rise in unit marketing charges was caused by increases in wages, salaries, transportation charges, prices of containers, packaging materials, machinery, and other items bought by marketing firms. Profits per unit of product marketed also have risen. Farmers' total receipts from these food products have risen much less than the marketing bill, and the rise has resulted entirely from the increase in marketings. Prices farmers received for these products averaged lower in 1958 than in 1947-49.

The bill for marketing farm food products bought by civilian consumers in this country totaled $36.9 billion in 1958 — about 4 percent more than in the preceding year (table 4). Since 1937, the total farm food marketing bill has risen each year except in 1950. The largest year-to-year increase came in 1946 when substantial increases in the volume of products marketed and in the average unit marketing charge boosted the marketing bill 23 percent above the 1945 level. Unit marketing charges advanced sharply following removal of World War II price ceilings in 1946. During the last decade, year-to-year gains averaged about 5 percent. The 1958 bill was about 64 percent larger than the average for 1947-49.

This total marketing bill is the difference between the total civilian expenditures for domestic farm-produced food products and the farm value or payment farmers received for the equivalent farm products. It is an estimate of the total charges for all the marketing services performed from the time products are sold by farmers until they are bought by consumers. 1/ The total marketing bill does not include farm products that are exported, used for nonfood purposes, or consumed on farms where they are produced.

The farm value of the farm products covered by the total marketing bill increased about 7 percent from 1957 to 1958, as a result of advances in prices received by farmers and a slight increase in marketings. The 1958 total of $20.8 billion was 14 percent higher than the average for 1947-49. But, unlike the marketing bill, the farm value has not risen steadily.

1/ Another estimate of marketing charges — the farm-retail marketing bill — is for the same total quantity of food products, but quantities sold in the form of meals in restaurants and other eating places are valued in terms of retail food store prices. The farm-retail marketing bill is considered in a later section of this article. The difference between the total marketing bill and the farm-retail marketing bill was explained more fully in the Nov. 1958 issue of this Situation (MTS-131).

Table 4.--The total marketing bill, farm value, and consumer expenditures for domestic farm food products bought by civilians, United States, 1929-58

Year	Total marketing bill 1/	Farm value	Civilian expenditures for farm foods	Year	Total marketing bill 1/	Farm value	Civilian expenditures for farm foods
	Billion dollars	Billion dollars	Billion dollars		Billion dollars	Billion dollars	Billion dollars
1929	9.7	7.2	16.9	1945	14.9	12.6	26.8
				1946	18.3	15.7	33.5
1930	9.9	6.3	16.2	1947	20.7	18.7	39.4
1931	8.6	4.7	13.3	1948	22.9	19.3	42.2
1932	7.5	3.4	10.9	1949	23.9	16.9	40.8
1933	7.3	3.6	10.9				
1934	7.5	4.3	12.1	1947-49 av.	22.5	18.3	40.8
1935	7.3	5.0	12.6				
1936	8.2	5.8	14.0	1950	23.9	17.6	41.5
1937	8.1	6.0	14.1	1951	26.4	20.0	46.4
1938	8.4	5.2	13.6	1952	28.3	19.9	48.2
1939	8.6	5.2	13.8	1953	29.3	19.0	48.3
				1954	30.4	18.4	48.8
1940	9.1	5.6	14.7	1955	32.2	18.3	50.5
1941	9.9	7.1	17.0	1956	34.0	18.7	52.7
1942	11.7	9.3	21.0	1957	35.6	19.5	55.1
1943	12.6	11.4	23.8	1958 2/	36.9	20.8	57.7
1944	13.3	11.6	24.4				

1/ Difference between civilian expenditures and farm value except that Federal processor taxes have been deducted for 1933-35 and allowances for Federal Government payments to processors have been added for 1943-46.
2/ Preliminary.

Moreover, its rise since 1947-49 has resulted entirely from growth in the volume of products marketed, as prices farmers received for these products averaged lower in 1958 than in 1947-49. From 1952 until 1956 declining farm prices more than offset the effect on the farm value of an expanding volume of products marketed.

Expenditures by civilian consumers in this country for domestically produced farm food products increased 5 percent from 1957 to 1958. The 1958 total of $57.7 billion was 41 percent higher than the 1947-49 average. These expenditures have risen each year since 1938, except in 1949. In several years, growth in the volume of marketings more than offset declines in the average retail cost per unit.

Farmers received about 36 percent of the consumer's expenditures for food in 1958, compared with about 45 percent in 1947-49. Thus, the share received by marketing agencies increased from 55 percent in 1947-49 to 64 percent in 1958.

Unit Marketing Charges and Volume Components of the Marketing Bill

Rising marketing charges per unit of product handled are estimated to have accounted for about three-fifths of the increase in the total marketing bill from 1947-49 to 1958 and expanding volume of products accounted for about two fifths. About three-fourths of the advance in the marketing bill from 1957 to 1958 resulted from higher unit marketing charges and one-fourth from growth in marketings.

Advancing Unit Marketing Charges

Most of the rise in unit marketing charges from 1947-49 to 1958 was caused by increases in wage rates, salaries, transportation charges, and prices of machinery and equipment, containers and packaging materials, fuel, and other items bought by marketing firms. Profits per unit also rose.

An increase in marketing operations per unit of product handled probably caused part of the rise in unit marketing charges. The marketing system performs more sorting, grading, transportation, refrigeration, processing, packaging, and other marketing operations per unit of product handled now than it did 10 years ago.

The net increase in marketing operations, however, may not have been as significant a factor in boosting the marketing bill as is suggested by frequently cited developments. While some marketing services have been increased, others have been reduced. The rapid growth in the output of some of the newer, highly processed convenience foods has received much attention. A net increase in processing probably has resulted although many of these foods have been substituted for less highly processed foods. But the newer convenience foods still account for only a minor part of the volume of food products marketed. Furthermore, costs of the additional processing may be offset by savings in other parts of the marketing process. It costs less, for example, to market a box of oranges in the form of frozen concentrated juice than as fresh oranges. 2/ Savings in transporting and handling frozen concentrate rather than fresh oranges more than compensate for the cost of processing. Similarly, the increase in consumer-size packaging by food manufacturers has reduced handling costs in retail stores. The saving resulting from transferring the packaging operation from the store to the manufacturing plant, where it is performed mainly by machines, has at least partially offset the cost of the container. Self-service has continued to replace clerk-service in retail food stores, and fewer stores provide credit and delivery services. Milk dealers in most cities have substituted 3-day-a-week delivery of milk to homes for every-other-day delivery.

A rapid increase in away-from-home eating raised the average marketing charge per unit during the late 1930's and in the first half of the 1940's. Since 1945 away-from-home eating apparently has increased slowly. Though many people eat out more often now, a larger proportion of the population lives in households having food-preparing facilities, so the proportion eating some of their meals at home probably has increased.

2/ John K. Hanes, "Marketing Margins for Fruits and Vegetables," The Marketing and Transportation Situation, Jan. 1959.

Expansion in Volume

The volume of domestic farm products bought by civilian consumers -- the products covered by the marketing bill -- was a little larger in 1958 than in 1957. Purchases by civilian consumers increased sharply in 1946 when many members of the Armed Forces returned to civilian status. Since that year the volume has risen slowly and almost steadily. The 1958 volume was about one-fourth larger than the average for 1947-49.

Purchases of domestic farm foods by civilian consumers increased by a greater percentage from 1947-49 to 1958 than the civilian population. During this period the population became more dependent on purchased foods. Many farm families who had produced a considerable part of their food supply moved to nonfarm homes. The number of farm families decreased by about one-fifth from 1948 to 1958. Furthermore, both farm and nonfarm families produced less of their own food in 1958 than in 1947-49.

The volume of farm foods purchased by consumers also increased by a greater percentage than the production of these products. Because of the decline in the number of farm families and the increasing use by farm families of purchased food, the total volume of food products farmers kept for their own use declined by about 30 percent from 1947-49 to 1958. Thus, marketings increased more than production. Further, farmers probably reduced the proportion of their output marketed directly to consumers during this period. The volume of milk farmers sold directly to consumers declined by about one-half. Direct sales of fresh fruits and vegetables, poultry and eggs, and other products also may have decreased. Thus, the marketing system handled an increasing part of the production. From 1947-49 to 1958, the volume of products covered by the marketing bill increased by about one-fourth compared with the increase of about one-fifth in the production of farm food products.

Cost and Profit Components of the Total Marketing Bill

This section and the figures in table 5 relate to the components of the total marketing bill. Similar data published in earlier articles on the marketing bill were for the smaller farm-retail marketing bill. 3/

Labor Costs

The labor cost component of the total marketing bill -- the cost of labor employed by marketing firms in handling domestic farm foods bought by civilian consumers in this country -- rose from $17.0 billion in 1957 to $17.5 billion in 1958. (See cover chart and table 5.) This cost has risen every year since 1938. In 1958 it was 65 percent higher than the average for 1947-49. Labor costs accounted for 47 percent of the total marketing bill in 1958, the same proportion as in 1947-49.

3/ Estimates of components of the farm-retail marketing bill will not be published in the future but they will be furnished to readers who request them from the Mktg. Inform. Div., Agr. Mktg. Serv.

Table 5.--Labor, transportation, corporate profits, and other costs for marketing farm food products, United States, 1939-58 1/

Year	Labor 2/	Rail and truck transportation 3/	Corporate profits 4/		Other 5/	Total marketing bill
			Before taxes	After taxes		
	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars
1939	4.3	1.0	0.3	0.3	3.0	8.6
1940	4.5	1.1	.4	.3	3.1	9.1
1941	4.9	1.2	.6	.4	3.2	9.9
1942	5.3	1.0	.8	.4	4.6	11.7
1943	5.5	1.0	1.1	.5	5.0	12.6
1944	6.0	1.1	1.1	.5	5.1	13.3
1945	6.6	1.3	1.1	.5	5.9	14.9
1946	8.3	1.6	1.7	1.1	6.7	18.3
1947	9.7	2.0	1.5	1.0	7.5	20.7
1948	10.8	2.2	1.3	.8	8.6	22.9
1949	11.3	2.3	1.3	.7	9.0	23.9
1947-49 av.	10.6	2.2	1.4	.8	8.3	22.5
1950	11.9	2.6	1.6	.9	7.8	23.9
1951	12.7	2.6	1.3	.6	9.8	26.4
1952	13.5	3.0	1.4	.6	10.4	28.3
1953	14.3	3.2	1.5	.7	10.3	29.3
1954	15.0	3.4	1.5	.7	10.5	30.4
1955	15.5	3.2	1.8	.9	11.7	32.2
1956	16.3	3.5	1.8	.9	12.4	34.0
1957	17.0	3.6	1.9	.9	13.1	35.6
1958 6/	17.5	4.0	2.1	1.0	13.3	36.9

1/ Relate only to domestic farm foods bought by civilian consumers and not to that sold to the Armed Forces or exported.

2/ Does not include the cost of labor employed in intercity for-hire transportation because payments made for transportation also are compared with the total marketing bill.

3/ Does not include local hauling; charges for intercity transportation by water and air are a part of the "other" or residual component of the marketing bill.

4/ Does not include profits of unincorporated firms or firms engaged in intercity transportation.

5/ Includes other costs such as fuel, electric power, containers, packaging materials, air and water transportation, interest on borrowed capital, taxes other than those on income, and noncorporate profits.

6/ Preliminary.

Labor costs include wages and salaries paid by assemblers, processors, wholesalers, and retailers, including restaurants and other eating places, but it does not include labor costs of railroads and other for-hire carriers. 4/ It also includes tips and supplements to wages and salaries, such as payments by employers to social insurance funds, private pension and welfare funds, compensation for injuries, and other "fringe benefits." And it includes the imputed costs of labor performed by proprietors and family workers not receiving stated wages or salaries.

Increases in labor costs per unit of product handled caused more than half of the rise in the labor cost component from 1947-49 to 1958; expansion in the volume of products marketed accounted for the remainder. Labor costs per unit advanced mainly because of increases in wage rates, salaries, and supplements to wages and salaries. Part of the rise may have resulted from an increase in marketing services per unit of product handled.

Earnings of employees of food processors, wholesalers, and retailers averaged $1.98 per hour in 1958 compared with $1.90 in 1957 and $1.21 in 1947-49. Labor costs per unit of product marketed, however, have risen less than average hourly earnings because labor time per unit has decreased. It is estimated that labor cost per unit of product marketed increased 31 percent from 1947-49 to 1958, compared with an increase of 65 percent in average hourly earnings (table 6). 5/

Transportation Bill

Marketing firms paid railroads and truck carriers an estimated $4.0 billion in 1958 for transporting (other than local hauling) the food products covered by the marketing bill (table 5). The 1957 total was $3.6 billion. The increase from 1957 to 1958 resulted mainly from higher freight rates. In February 1958, the Interstate Commerce Commission authorized small increases in rail freight rates on most agricultural products.

The 1958 transportation bill was 82 percent higher than the 1947-49 average. Rate increases accounted for the major part of the rise; increases in volume hauled accounted for a smaller part. Also, average length of haul for some fresh fruits and vegetables and perhaps for some other products increased. The transportation components made up 11 percent of the marketing bill in 1958, compared with 10 percent in 1947-49.

4/ Many establishments that handle farm food products also handle nonfarm foods and other products. Their total labor cost, therefore, cannot be included in these estimates. In general, the proportion included is the percentage of the establishment's total sales or output represented by farm food products.

5/ These percentages are based on data which include workers employed in intercity transportation of food products as well as workers in assembly, processing, wholesale, and retail establishments, but inclusion of the transportation workers probably does not affect the percentages significantly.

Table 6.--Average hourly earnings and labor costs, profits before taxes, and marketing charges per unit of product for marketing food products, United States, 1939-58 1/

(Index numbers 1947-49 = 100)

Year	Hourly earnings 2/	Unit labor cost 3/	Profit (before taxes) per unit of product 4/	Unit marketing charges 5/
1939	46	52	33	59
1940	47	53	34	58
1941	51	57	53	59
1942	56	58	72	65
1943	61	62	94	69
1944	65	66	95	70
1945	70	70	88	70
1946	82	79	127	78
1947	93	91	111	94
1948	99	102	96	102
1949	108	107	93	104
1947-49 average	100	100	100	100
1950	113	108	115	103
1951	119	116	97	111
1952	125	118	95	116
1953	132	121	101	118
1954	138	123	94	119
1955	142	122	110	121
1956	149	123	108	123
1957	158	128	114	128
1958 6/	165	131	121	135

1/ Relates only to domestic farm-produced foods bought by civilian consumers in this country and not to that sold to the Armed Forces or exported.

2/ Hourly earnings estimated by dividing total labor cost by total man-hours for all workers. These data include proprietors and family workers not receiving stated remuneration and workers engaged in intercity rail and truck transportation.

3/ Unit labor cost is the quotient of the indexes of total labor cost and of volume of farm food products marketed to civilian consumers. The index of farm food products marketed was constructed by weighting the quantities sold by 1947-49 average retail prices.

4/ Profit per unit of product is the quotient of the index of total corporate profits from marketing farm foods produced and consumed in the United States and the index of the volume of farm food products marketed.

5/ Calculated from annual average spreads between retail cost of a constant market basket of farm food products and payments received by farmers for equivalent farm products; margin has been adjusted for subsidies to marketing firms. The farm-retail spreads are published in this Situation, table 1, p. 5.

6/ Preliminary.

Charges for the protective services, heating and refrigeration, are included in the transportation bill, as well as rail and truck freight charges. However, the bill does not include charges for transportation by water or air or charges for local hauling. These charges are a part of the "other" or residual component of the marketing bill.

Corporate Profits

Profits earned by corporations from marketing the products covered by the marketing bill amounted, before taxes on income, to $2.1 billion in 1958, up $200 million from the preceding year (table 5). Before-tax profits in 1958 were 50 percent larger than the average for 1947-49. Profits have fluctuated more than the other components of the marketing bill. Before-tax profits rose to a peak of $1.7 billion in 1946, when sales and prices of food products were rising and costs lagged. But by 1948, they had declined to $1.3 billion. They jumped to $1.6 billion in 1950 when prices rose rapidly in the second half of the year. The peaks in those years were not surpassed until 1955. Since 1945, profits after taxes have represented from 43 to 67 percent of profits before taxes. The proportion in recent years has been about 50 percent.

Corporate profits before income taxes made up about 6 percent of the marketing bill in 1958, the same percentage as in 1947-49. This proportion rose from about 3 percent before World War II to a record 9 percent in 1946. In the 12 years since 1946 it has varied from 5 percent to 7 percent.

Corporate profit (before taxes) per unit of product marketed has more than tripled during the last 20 years (table 6). Year-to-year fluctuations often have been wide. The index of profit per unit rose from 33 (1947-49=100) in 1939 to a record 127 in 1946, then declined to the post-World War II low of 93 in 1949. Since 1949 it has varied between 94 in 1954 and 121 in 1958.

Total corporate profits earned from marketing the farm food products covered by the marketing bill have increased as capital invested by marketing corporations has grown. Marketing firms have made large investments since World War II to handle the expanding volume of products, to improve efficiency, and to produce and distribute new products. The reduction in labor time per unit of product marketed could not have been achieved without huge outlays on new plants and equipment. Rising costs of plant and equipment during the postwar era have upped capital requirements. Rising prices and wage rates also have increased working capital needs. More money is needed for inventory, payroll, and other recurring expenditures. Corporations have borrowed additional capital and have added to equity capital by investing profits and by selling stock. Additions to equity capital are reflected in net worth. It is estimated that the net worth of corporations manufacturing food and kindred products climbed more than 30 percent from 1948 to 1956 while net worth of those in the retail food trade jumped 114 percent. 6/

6/ These estimates were based on data published by the Internal Revenue Service in Statistics of Income, 1956-57, Corporation Income Tax Returns, pp. 122 and 126.

Adequate data are not available on which to base an estimate of profits unincorporated firms earned from marketing farm food products. Profits of these firms are a part of the "other" component of the marketing bill. Unincorporated firms probably accounted for less than 10 percent of the profits made from manufacturing food products. According to the 1954 Census of manufactures, establishments operated by unincorporated firms accounted for 11 percent of the total value added by manufacture in the food and kindred products manufacturing industry. Unincorporated firms in 1954 accounted for 41 percent of the total sales of assembling and wholesaling firms handling food products, for 55 percent of the sales made by retail food stores, and for 71 percent of those made by eating places. 7/ Profits of these unincorporated firms probably were a much smaller proportion of the total than were their sales. For many unincorporated firms net profits provide scarcely more than a return for the labor of proprietors and family workers not receiving stated wages and salaries.

Profits of Leading Food-Marketing Corporations.--The average ratio of profits to sales for a group of 46 leading food processing corporations rose in 1958 after declining in 1957 (table 7). Profits as a percentage of stockholders' equity for these and a few additional firms also averaged slightly higher in 1958 than in 1957. However, baking companies and dairy products companies had slightly lower ratios of profits to stockholders' equity last year than in 1957.

The ratio of profits (after taxes) to sales for eight leading retail food store chains remained the same in 1958 as in 1957, but the ratio of profits to stockholders' equity declined slightly. Since 1950 only the 1957 ratio of profits to stockholders' equity was higher than that for 1958.

In the three recent recession years, 1949, 1954, and 1958, the average profit ratios for all manufacturing corporations declined. Profit ratios of leading corporations engaged in food processing also were down in 1949 and 1954 but in 1958 their ratios increased. However, profit ratios of these companies had declined in 1957.

Other Costs and Noncorporate Profits

Other costs and noncorporate profits, the residual in the marketing bill, amounted to $13.3 billion in 1958, compared with $13.1 billion in 1957 and the 1947-49 average of $8.3 billion. This component made up about 37 percent of the marketing bill in 1947-49, 37 percent in 1957, and 36 percent in 1958. It includes costs of fuel, electric power, containers, packaging materials, intercity transportation other than by rail and truck, depreciation, insurance, rents, interest on borrowed capital, taxes other than those on income, and other items not included in the labor, transportation, and profits components. It also includes the profits unincorporated firms made from marketing the products covered by the marketing bill.

Farm-Retail Marketing Bill

The farm-retail marketing bill includes all domestic farm-produced food products bought by civilian consumers in this country -- the same

7/ Percentages calculated from data published in the 1954 Census of Business.

Table 7.--Net profits (less provision for taxes on income) as percentage of stockholders' equity and as percentage of sales, leading food and tobacco companies, 1935-58

Year	Food processing companies									
	8 baking companies	7 grain mill products companies	11 meat packers	5 canning companies	10 dairy products companies	10 miscellaneous food companies 1/	51 combined companies	5 wholesale food distributors	8 retail food chains	5 tobacco companies
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
	Profits as percentage of stockholders' equity 2/									
Average 1935-39	8.1	9.7	3.6	5.6	7.9	9.8	7.4	---	8.4	13.9
1940	7.9	9.8	5.4	6.6	8.7	9.2	7.8	---	9.7	14.2
1941	7.6	9.5	8.6	10.5	11.1	10.8	9.7	---	9.4	12.3
1942	9.5	8.0	8.1	8.4	11.3	8.9	9.0	---	7.4	11.0
1943	9.3	10.2	7.9	8.6	11.5	9.2	9.3	---	7.8	10.4
1944	8.7	10.3	7.2	9.1	10.1	8.3	8.5	11.2	8.2	9.7
1945	10.0	10.9	5.2	10.2	10.0	8.1	8.2	12.7	8.2	9.2
1946	18.3	13.2	9.9	18.4	17.0	12.6	13.6	27.3	18.7	11.4
1947	15.6	15.7	3/12.6	13.4	13.2	14.6	3/13.9	18.8	17.8	12.6
1948	17.6	14.6	5.6	9.6	12.5	13.5	11.3	16.0	16.2	14.8
1949	16.5	13.8	3/3.7	5.8	14.5	10.5	3/9.9	12.5	15.7	15.2
1950	15.5	13.4	5.9	15.3	13.3	12.6	11.5	10.0	14.0	13.5
1951	11.7	11.0	3/5.0	6.8	10.3	9.0	8.5	9.4	10.1	9.9
1952	12.1	11.0	3/3.7	7.5	9.9	9.0	3/8.2	5.4	10.0	9.5
1953	12.3	10.7	6.6	6.6	11.1	9.3	9.2	7.1	11.4	10.1
1954	11.3	12.4	2.7	7.8	3/12.2	9.9	8.8	7.5	11.3	10.6
1955	11.4	12.4	6.5	10.1	12.0	10.4	10.1	6.7	11.2	12.0
1956	11.4	11.7	6.9	8.2	12.1	3/11.2	10.2	7.6	13.1	12.1
1957	11.8	12.8	3/3.9	5.9	3/11.8	11.4	3/9.5	7.6	14.2	12.8
1958 4/	11.5	5/	4.2	5/	11.5	12.6	10.1	5/	13.8	14.6

	Food processing companies									
	7 baking companies	4 grain mill products companies	11 meat packers	4 canning companies	10 dairy products companies	10 miscellaneous food companies 1/	46 companies combined	5 wholesale food distributors	8 retail food chains	5 tobacco companies
	Profits as percentage of sales									
Average 1935-39	7.1	3.8	0.9	3.1	3.1	8.6	3.0	---	1.5	9.1
1940	6.3	4.6	1.4	3.5	3.2	8.0	3.2	---	1.5	8.4
1941	5.3	3.5	1.7	3.9	3.4	7.8	3.2	---	1.2	6.5
1942	4.8	2.6	1.2	3.1	2.9	5.6	2.4	---	.9	5.1
1943	4.0	2.2	1.1	3.5	2.8	5.0	2.2	---	1.0	4.3
1944	3.3	2.3	1.0	3.3	2.4	5.0	2.0	0.9	1.0	4.0
1945	3.6	2.6	.9	3.8	2.3	4.0	2.0	1.0	1.0	3.8
1946	6.0	2.8	1.7	6.1	3.5	6.0	3.3	2.2	1.8	4.0
1947	4.5	2.9	3/1.4	5.0	2.6	5.6	3/2.6	1.8	1.4	4.3
1948	4.9	3.3	.6	3.7	2.5	5.5	2.2	1.8	1.3	5.0
1949	5.0	3.6	.5	2.4	3.3	4.8	2.1	1.5	1.4	5.4
1950	4.9	3.1	.8	5.3	3.2	5.3	2.5	1.2	1.3	5.1
1951	3.5	2.3	.6	2.5	2.2	3.7	1.7	1.1	.9	3.8
1952	3.5	2.5	.4	2.7	2.1	3.6	1.6	.7	.8	3.4
1953	3.5	2.5	.8	2.3	2.3	3.6	1.9	1.0	1.0	3.8
1954	3.4	2.9	.3	2.8	2.6	3.8	1.8	1.0	1.0	4.3
1955	3.4	3.1	.8	3.6	2.6	4.0	2.2	.9	1.0	4.9
1956	3.2	2.9	.8	2.9	2.6	4.0	2.2	1.0	1.1	5.0
1957	3.3	3.4	.5	2.2	3/2.6	4.1	3/2.1	.9	1.2	5.2
1958 4/	3.3	5/	.5	5/	2.6	4.5	2.2	5/	1.2	5.7

1/ Includes sugar and corn refining companies, processors of vegetable oils, and companies manufacturing a wide variety of packaged foods. 2/ Ratio of net profits to average of stockholders' equity at the beginning and end of the year. Stockholders' equity is excess of total balance sheet assets over liabilities. 3/ Revised. 4/ Preliminary. 5/ Not available.

Compiled from Moody's "Industrial Manual" and company annual reports.

food products covered by the total marketing bill. But the farm-retail marketing bill is the difference between the farm value of these products and their value in terms of retail food store prices. Unlike the total marketing bill, it does not include the extra costs of food eaten in restaurants and other eating places or any allowance for marketing charges saved by purchasing at less than retail prices.

From 1937 to 1945 the total marketing bill increased faster than the farm-retail bill because of a fivefold gain in the extra costs of services for food consumed in eating places, but the farm-retail bill increased more rapidly in 1946 and 1947. Since 1947 both have risen at about the same rate.

Farm-retail marketing-bill data but not total marketing-bill data are available for product groups (table 8). Restaurant service costs for individual product groups cannot be estimated accurately because data on the flow of individual foods through eating places are not available.

Product Groups

Most product groups accounted for about the same proportion of the farm-retail marketing bill in 1958 as in 1947-49. Only fruits and vegetables and meat products made significant changes.

Fruits and vegetables, which had the largest marketing bill among the product groups in both periods, accounted for 25 percent of the farm-retail marketing bill in 1958 compared with 28 percent in 1947-49. The volume of these products did not increase by as large a percentage as the average for all product groups, and unit marketing charges for the group rose by about the average for all groups. In retail cost, this group ranks second to the meat products group.

Charges for marketing meat products made up 21 percent of the farm-retail marketing bill in 1958 and 19 percent in 1947-49. Marketings of these products increased by a smaller percentage than the average for all groups, but unit marketing charges advanced by a larger percentage than for any other group. The marketing bill for meat products increased 78 percent from 1947-49 to 1958 -- the largest gain for any group. The meat products group has a considerably larger farm value and retail cost than any other product group.

Bakery and cereals products had scarcely any expansion in volume but their average unit marketing charge rose almost as much as that for the meat products group. The bakery and cereals group was the only one to have a smaller farm value in 1958 than in 1947-49; its farm value was down 7 percent.

The poultry and eggs group had the largest increase in volume of products marketed but unit marketing charges for the group were about the same in 1958 as 1947-49. The marketing bill increased less than the average for all groups.

The dairy products group ranked second with respect to farm value in 1958 and in 1947-49. Retail cost and farm value of the products in this group increased by the average percentage increase for all product groups. The marketing bill also made about the average increase.

Table 8.- Farm-retail marketing bill for domestic farm food products purchased by civilian consumers, farm value, and retail cost, all farm foods and five major commodity groups, United States, annual 1913-58 1/

Year	All farm foods 2/			Meat products			Dairy products			Poultry and eggs			Bakery and cereal products			Fruits and vegetables		
	Marketing bill	Farm value	Retail cost	Marketing bill	Farm value 3/	Retail cost	Marketing bill	Farm value 3/	Retail cost	Marketing bill	Farm value 3/	Retail cost	Marketing bill	Farm value 3/	Retail cost	Marketing bill	Farm value 3/	Retail cost
	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.
1913	3.88	3.53	7.41	0.91	1.35	2.26	0.61	0.62	1.23	0.21	0.45	0.66	0.98	0.44	1.42	0.89	0.55	1.44
1914	4.27	3.64	7.91	.91	1.35	2.26	.64	.64	1.28	.20	.47	.67	1.13	.49	1.62	1.11	.58	1.69
1915	4.36	3.63	7.99	.95	1.21	2.16	.67	.66	1.33	.20	.48	.68	1.15	.59	1.74	1.05	.56	1.61
1916	5.12	4.35	9.47	.99	1.50	2.49	.70	.74	1.44	.22	.53	.75	1.31	.68	1.99	1.46	.71	2.17
1917	6.35	6.05	12.40	1.00	2.03	3.03	.74	.94	1.68	.26	.68	.94	1.63	1.15	2.78	2.13	.97	3.10
1918	6.32	6.87	13.19	1.45	2.51	3.96	.79	1.09	1.88	.36	.83	1.19	1.40	1.05	2.45	1.68	1.04	2.72
1919	7.67	7.55	15.22	1.64	2.50	4.14	1.04	1.34	2.38	.42	1.03	1.45	1.69	1.21	2.90	2.20	1.13	3.33
1920	9.16	7.36	16.52	1.97	2.15	4.12	1.13	1.40	2.53	.48	1.10	1.58	1.99	1.17	3.16	2.91	1.30	4.21
1921	7.52	5.05	12.57	2.05	1.40	3.45	1.19	1.15	2.34	.39	.77	1.16	1.80	.62	2.42	1.69	.95	2.64
1922	7.69	5.19	12.88	1.93	1.56	3.49	1.17	1.14	2.31	.37	.75	1.12	1.77	.59	2.36	1.98	.99	2.97
1923	8.38	5.62	14.00	2.19	1.58	3.77	1.26	1.39	2.65	.41	.83	1.24	1.84	.59	2.43	2.12	1.03	3.15
1924	8.64	5.87	14.51	2.34	1.73	4.07	1.25	1.34	2.59	.45	.86	1.31	1.85	.67	2.52	2.25	1.06	3.31
1925	8.96	6.77	15.73	2.18	2.10	4.28	1.36	1.47	2.83	.45	.96	1.41	1.94	.87	2.81	2.45	1.15	3.60
1926	9.43	6.95	16.38	2.17	2.18	4.35	1.40	1.53	2.93	.46	1.03	1.49	2.07	.80	2.87	2.74	1.22	3.96
1927	9.51	6.72	16.23	2.21	2.04	4.25	1.47	1.62	3.09	.44	.96	1.40	2.16	.74	2.90	2.61	1.14	3.75
1928	9.33	6.94	16.27	2.17	2.11	4.28	1.50	1.69	3.19	.48	1.05	1.53	2.24	.74	2.98	2.34	1.13	3.47
1929	9.86	7.22	17.08	2.22	2.23	4.45	1.57	1.76	3.33	.58	1.12	1.70	2.18	.68	2.86	2.68	1.21	3.89
1930	9.82	6.33	16.15	2.31	1.94	4.25	1.56	1.57	3.13	.58	.93	1.51	2.22	.56	2.78	2.55	1.13	3.68
1931	8.40	4.66	13.06	2.21	1.37	3.58	1.41	1.25	2.66	.49	.71	1.20	1.89	.35	2.24	1.98	.86	2.84
1932	7.21	3.40	10.61	1.76	.91	2.67	1.24	.97	2.21	.34	.54	.88	1.65	.26	1.91	1.68	.61	2.29
1933	7.30	3.56	10.93	1.68	.92	2.61	1.21	.96	2.17	.32	.48	.80	1.60	.24	2.00	1.86	.73	2.59
1934	7.92	4.27	12.52	1.90	1.13	3.26	1.24	1.12	2.36	.40	.58	.98	1.81	.47	2.38	2.03	.80	2.83
1935	7.58	5.02	12.94	1.70	1.49	3.39	1.29	1.29	2.58	.34	.75	1.09	1.75	.52	2.41	2.02	.79	2.81
1936	8.51	5.78	14.29	2.00	1.79	3.79	1.39	1.42	2.81	.39	.77	1.16	1.93	.58	2.51	2.22	1.00	3.22
1937	8.20	5.98	14.18	2.05	1.90	3.95	1.41	1.49	2.90	.43	.81	1.24	1.92	.61	2.53	1.81	.95	2.76
1938	8.18	5.20	13.39	1.86	1.71	3.57	1.40	1.32	2.72	.39	.77	1.16	2.01	.41	2.42	1.78	.78	2.56
1939	8.19	5.17	13.37	1.85	1.69	3.54	1.44	1.32	2.76	.38	.72	1.10	1.87	.39	2.26	1.93	.86	2.79
1940	8.5	5.6	14.1	1.9	1.8	3.7	1.5	1.5	3.0	.4	.8	1.2	1.9	.4	2.3	2.0	.9	2.9
1941	9.2	7.1	16.3	1.8	2.5	4.3	1.7	1.7	3.4	.4	1.0	1.4	2.0	.5	2.5	2.2	1.1	3.3
1942	10.5	9.3	19.8	1.7	3.2	4.9	2.0	2.1	4.1	.6	1.4	2.0	2.2	.7	2.9	2.6	1.5	4.1
1943	11.1	11.4	22.3	1.8	3.6	5.2	2.0	2.3	4.3	.7	2.0	2.7	2.4	.9	3.3	2.4	2.1	5.0
1944	11.4	11.6	22.5	1.9	3.7	5.3	2.0	2.5	4.5	.7	1.8	2.5	2.3	.9	3.1	3.1	2.3	5.3
1945	12.5	12.6	24.4	1.7	3.7	5.0	2.2	2.6	4.8	.8	2.3	3.1	2.6	1.0	3.5	4.0	2.5	6.4
1946	15.6	15.7	30.8	2.4	5.2	7.3	2.8	3.5	6.3	1.0	2.4	3.4	3.0	1.3	4.2	4.7	2.6	7.2
1947	18.0	18.7	36.7	3.4	7.3	10.7	3.1	3.8	6.9	1.1	2.7	3.8	3.3	1.5	4.8	5.3	2.6	7.9
1948	19.9	19.3	39.2	3.8	7.5	11.3	3.5	4.1	7.6	1.2	3.0	4.2	3.9	1.5	5.4	5.4	2.4	7.8
1949	20.8	16.9	37.7	4.0	6.5	10.5	3.4	3.5	6.9	1.2	2.8	4.0	4.3	1.2	5.5	5.6	2.3	7.9
1950	20.9	17.6	38.5	4.1	7.2	11.3	3.4	3.6	7.0	1.3	2.6	3.9	4.3	1.3	5.6	5.5	2.2	7.7
1951	22.8	20.0	42.8	4.2	8.0	12.2	3.9	4.1	8.0	1.5	3.2	4.7	4.7	1.4	6.1	6.1	2.5	8.6
1952	24.5	19.9	44.4	4.9	7.6	12.5	4.1	4.3	8.4	1.5	3.1	4.6	4.9	1.4	6.3	6.5	2.8	9.3
1953	25.5	19.0	44.5	5.4	7.1	12.5	4.3	3.9	8.2	1.5	3.3	4.8	5.0	1.4	6.4	6.7	2.5	9.2
1954	26.5	18.4	44.9	5.4	7.2	12.6	4.5	3.8	8.3	1.6	2.7	4.3	5.1	1.4	6.5	6.9	2.5	9.4
1955	28.0	18.3	46.3	6.2	6.7	12.9	4.8	4.0	8.8	1.5	2.9	4.4	5.2	1.3	6.5	7.4	2.6	10.0
1956	29.6	18.7	48.3	6.5	6.7	13.2	5.0	4.2	9.2	1.6	2.9	4.5	5.4	1.3	6.7	7.8	2.8	10.6
1957	30.9	19.5	50.4	6.6	7.6	14.2	5.3	4.3	9.6	1.7	2.8	4.5	5.6	1.3	6.9	7.9	2.7	10.6
1958 4/	32.0	20.8	52.8	6.6	8.6	15.2	5.6	4.3	9.9	1.9	3.0	4.9	5.9	1.3	7.2	8.0	2.8	10.8

1/ Retail-cost estimates represent cost at retail food store prices of all domestic farm foods that were both sold by farmers and bought by civilian consumers in this country. Farm food products sold in the form of meals are included but are valued at what the food would have cost in retail stores. Farm value is adjusted to eliminate imputed value of nonfood by-products. The farm-retail marketing bill is the difference between the farm value and retail cost except for the years 1933-35 and 1943-46 in which the marketing bill for some groups is adjusted for processor taxes or Government payments to processors.

2/ Includes vegetable-oil products, sugar, and other food products in addition to the five commodity groups given in this table.

3/ The estimated farm values of milk, eggs, fruits, lard, and vegetable shortening used in bakery products were deducted from the farm values of other commodity groups and added to the farm value of the bakery and cereal products group.

4/ Preliminary estimates.

Agricultural Marketing Service.